

AMENDED IN ASSEMBLY APRIL 22, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 321

Introduced by Assembly Member Cogdill

February 7, 2003

An act to add Chapter 8.3 (commencing with Section 10770) to Part 2 of Division 2 of the Insurance Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

AB 321, as amended, Cogdill. Health care consortia.

Existing law provides for the establishment and operation of multiple employer welfare arrangements to permit employer members of trade associations to create trust funds to provide health care benefits to their employees.

This bill would ~~declare the intent of the Legislature to authorize the formation of cities, counties, and employers to form~~ health care purchasing consortia within rural areas ~~that~~. A health care purchasing consortium would be organized similarly to a multiple employer welfare arrangement.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1.—It is the intent of the Legislature to authorize the~~
- 2 *SECTION 1. Chapter 8.3 (commencing with Section 10770)*
- 3 *is added to Part 2 of Division 2 of the Insurance Code, to read:*
- 4

1 CHAPTER 8.3. RURAL HEALTH CARE PURCHASING CONSORTIA

2
3 10770. (a) Cities, counties, and employers in rural counties
4 may form health care purchasing consortia.

5 (b) If necessary to establish an adequate population base to
6 sustain a managed care system, a consortium shall include within
7 its service area multiple counties.

8 (c) A consortium shall be organized similarly to a multiple
9 employer welfare arrangement, as described in Section 742.20 of
10 the Insurance Code.

11 ~~formation of health care consortia within rural areas that would be~~
12 ~~organized similarly to multiple employer welfare arrangements, as~~
13 ~~described in Section 742.20 of the Insurance Code. It is the further~~
14 ~~intent of the Legislature that the consortia include within their~~
15 ~~service areas multiple counties, if required to establish an adequate~~
16 ~~population base to sustain a managed care system.~~

